



THE
EAST INDIA
COMPANY
LONDON



Pic Source: Theeastindiacompany.com, Wikipedia.

Sanjiv Mehta is an India-born British businessman and owner of The East India Company. Born in 1961 in a family of diamond traders, he graduated from Sydenham College in Mumbai and was part of the executive education programme at IIMA in 1984 on family businesses. He worked in different countries, moved to London in 1989, and charted his own career in trade, before buying out [The East India Company](#) (EIC) in 2003-05. In this brief interview with IIMA Archives in July 2024, marking 150 years of the formal dissolution of the EIC in 1874, he recounted his IIMA days and professors, his interest in history, and the motive and passion for buying out The East India Company.

Question: What did you study?

I went to study Gemology. I became a gemologist in the US after my graduation [at Sydenham College, Mumbai]. My family is involved in the diamond business. So I studied that and that business led me to other things.

[Prof. M N Vora](#) of IIMA did a whole study on the diamond industry with Prof. Wadhva/ Pathak. My father was Chairman of the Gems and Diamond Jewellery Council of India in the early 1980s. And that was the reason my father told me to go and study this. We used to have a manufacturing facility in Udhna and Surat in those days. The IIMA professors spent lot of time in my father's office. They also created, with my father a module on diamond industries or something like that. I left the diamond trade in the late 1980s.

Question: Were you ever interested in history as a subject?

Yes, very much, especially military history. I still am very interested in it. All the commanders of those times. From Alexander to Napoleon, their strategies and how they come out of the worst positions. But I won't say I would read more than that. East India Company history, yes, generally you read about that in India and a version of that. From Bombay, you read about it naturally.

Question: What was your experience at IIMA like in 1984?

Its tough to remember since it was forty years ago but I loved the architecture! I love the red brick architecture. That had a huge impact on me. Those arches. One of the lovely campuses of that time. Lovely environment. Very peaceful. Lots of thought given to the architecture. Quiet corners everywhere.

The professors were very passionate, Prof. M N Vora in particular. I continued to stay in touch with him thereafter. We used to write to each other, letters, in those days, about various things.

And I remember eating ice-creams in Ahmedabad, funnily enough. Would just get out of campus and go for an ice-cream.

If you ask me to unpeel my memory, those are the three things that come to my mind.

Question: What did you do after the brief stint at IIMA?

I lived in the US, I was working there; I went to Australia, lived there; lived in Japan for a year, came back to India for two years; and then I went to London in 1988. We used to have offices everywhere and I learnt the details of the diamond trade. It gave me a lot of exposure to the world and a good experience.

Question: So what was the status of the East India Company (EIC)? We learn in history books that it was dissolved in 1874 but you also own it now...What does that mean?

So lets go back to the beginning. When the EIC was formed in 1600, it was formed as a royal charter. And royal charters gave a group of merchants a license to trade exclusively on behalf of the state of England, everything east of Cape Town [in South Africa]. It was called East Indies, nothing to do with India per se. There were other companies in the west and the north. EIC became the most successful of them, but every voyage had a bunch of shareholders who took the risk and they had a professional person, the captain of the ship, for a 10% profit share. Having said that, when one or two voyages went sour, another group of investors came in, and insured the risk. And that set in motion the insurance industry.

So there were shareholders, capitalists and the monarchy. The charters had the seal of the monarch that gave the captain of the ship the power of the crown. It was the first company where the shareholders and management were different because the transactions conducted and risks carried were large.

So the first voyage was on a ship called Red Dragon where they had put together 33,000 pounds worth of capital and the first voyage went to the place now called Indonesia, for cinnamon and nutmeg and they came back with huge losses. Next few voyages were successful. There was no legal entity per se called EIC. The Crown was earning a royalty.

Over 200 years, members of the royalty and members of parliament became shareholders of the EIC so there was conflict of interest. EIC also became the biggest lender to the Bank of England and also to players in the USA. It was a premier institution that moved a lot of cash and metals around the world, especially silver. For instance, Argentinian silver moved to China via the EIC and tea went from China to Europe.

This whole business collapsed in 1874. Queen Victoria realised that paying money back to EIC would be very expensive. Only way was to confiscate the company, effectively breaking the company but they could not do it simply. Ideas had emerged in the parliament after the 1857 revolt in India itself to formally take over the company. Negative press was carried out against the EIC. With an act of redemption they paid to the shareholders about six cents to a dollar and bought the shares over and all the assets of the company, what you call factories or warehouses of the company, what you call stock or ships, all of the assets came to the Crown. And the Crown appointed six directors from the parliament along with six directors from the erstwhile EIC. And they changed the office from Leadenhall Street to what is called India House [in London], which is now in Whitehall, around that time. And ruled the British Empire after that from there.

If you take that backdrop, all the assets went to the Crown. Real estate, docks, all went to Crown. Crown those days was the Royal Family. So there was a massive vested interest of

Queen Victoria. That is when the royal family became wealthy. Royal family did not have too much money before 1838. With that backdrop in mind, there is a relationship between the EIC and the royal family even now. Deep rooted in the blood.

Now cut to the post-war world. You can imagine the world then, luxury was a taboo, imperialism was taboo, the world was reconstructing itself, Japan and Germany were growing fast. And then you had petrodollars in the 1970s.

A group of people in London in 1985 realised the powers of the word 'The East India Company'. A person of the royal family and around 35 people went to Queen Elizabeth II and took ownership of the international properties of the EIC. The original coat of arms issued were obtained. Then they went to the Treasury and took control of the name. And allowed them to register a company. Then they took one of the world's first trademark, which is the EIC mark, which was there in all the currencies across the Commonwealth, they took those assets and vested them in the newly formed EIC. Every intellectual property related to EIC was secured by them.

By the time they got all the approvals...its England, England is more bureaucratic than India, it was around 1989. They all realised the power of this company as a global name. It was very British, very blue-blooded. It was like that in 1985-89.

I came to this country then and never know that the EIC exists in any form.

Question: And did these people pay for the trademarks?

I don't know that. Please understand this was all about connectivity. Favours are exchanged, more than money.

Question: And then you bought the company in 2005?

There were 38 shareholders when I bought the company. 38 shareholders and 40 entities. So I bought them over one by one over 18 months. And I decided to buy 100% of the company. It took time. It was very risky because this is a private company and these are very big boys. So you have to negotiate your way through and put the money on the table whatever they ask. Because you don't want even 1% minority sitting with you. Otherwise they can block you because UK, minority protection is very strong.

So I did this between 2003 and 2005. I think it was 1st of October, 2005, when I finally acquired 100% shares of the company. I was not in any rush, frankly speaking.

I did not borrow any money to buy. I was quite fortunate. I had a large business. I was Unilever's distributor in Soviet Union. I was in the tea business. I had my own factories in Sri Lanka. I was also distributor for Brooke Bond a little and Close-up, Pepsodent, Lux, Nestle, Tata Tea...I had a large distribution network. I had 1,500 people working for me. I had warehouses. I had started ground up from the 1988-89 when I came to UK. Russia was slowly opening in the 1990s.

I sold a company in 2004, in full cash, to a Russian oligarch. I took the cash and bought EIC from the money I made out of the exit. And I went on building EIC on my own cash for a good seven years. That's why I could move at my own pace.

I knew the tea and coffee business. The old EIC shareholders wanted to pursue that line so they came to me and I saw the opportunity. I thought let me buy the business.

Question: And as of today, you own the firm?

Yes. When the press got the story in 2010, there was a lot of interest. Tata's and Mahindra's and one more South Indian company got in touch with me to participate in the journey. I met everybody. Then Anand Mahindra decided to take a stake. I liked him more than the others so Mahindra's have a small stake in EIC. Then in 2015, Lulu [a large Indian-Gulf retailing group], became a shareholder. But I still own the majority.

I run the business. Am not trying to be aggressive in my growth because I don't want to lose control. But at the same time I don't want to dilute my brand positioning if I chase the topline. I want to grow at my pace. The brand is the key.

Question: What was the motive to buy the EIC? Did it become an obsession?

Of course, of course! When I bought the four words [The East India Company], there was no business, right. If I had done my MBA, I would not have bought the company [laughs]. Its not a business for an educated brain, it's a business for the uneducated brain. Only an idiot like me can buy this company. We think from the heart and then see from the mind after the event.

If I think from the mind, why would I buy such a large sum. Financially, there was no business plan, no valuation, no governance. I myself did not know what I am going to do with it. But I had cash in my bank, time at my disposal, I could sign a cheque. I was on my own. I was just lucky I had sold my Russian business and had no work. So I just signed a cheque.

At this age, I would not do it. Ten years before, I would not have had the cash. And if I was educated like my son, he would never have bought this. But you know, we are merchants, not MBA's. We don't rely on Excel spreadsheets, DCF [Discounted Cashflow] models.

It was buying four words. Just bought four words and a bunch of emotions relatable to 2-3 billion people, as soon as they see a product. So its intuitive. I just do business through my intuition. We think like merchants. We think about solutions, not problems. Where does the value exist? That's what we think about.